

REMARKS/ARGUMENTS

Claims 1-18 and 24-38 are pending. Claims 19-23 have been withdrawn.

Claim 31 has been amended by this response to correct typographical errors. As amended, the pending claims of the subject application now comply with all requirements of 35 U.S.C. Accordingly, Applicant requests examination and allowance of all pending claims.

Embodiments in accordance with the present invention relate to a system for conducting electronic transactions employing two distinct elements: a personal data device and a programmable data card:

the personal data device may program a transaction card with the data to be conveyed to a provider's reader device. Where the reprogrammable card is employed, the card need only be loaded with the data required for the desire transaction and may be thereafter conveniently erased from the card. Furthermore, the transaction card need only carry data for the period of time that it takes to complete the exchange. In this manner of storing required transaction data, the personal data device serves as an "electronic wallet" and a simplistic and versatile card may optionally be used as a data conveyance vehicle. (Emphasis added; ¶[0023])

Embodiments in accordance with the present invention thus allow a user to consolidate a variety of different types of transaction data in the personal data device, and to selectively transfer certain information types to a programmable data card having the format expected by a particular transaction provider (i.e. a particular magnetic stripe or smart card type).

Pending independent claims 1, 10, 24, and 31 accordingly recite methods and devices including a personal data device separate from a transaction card (in claim 31, the personal data device is specified as "a portable telephone"):

1. A method for performing a transaction, the method comprising:
... b) loading the selected data from a personal data device to a transaction card

* * *

10. A personal data device comprising:
... d) a loading port to write the selected user specific data onto a transaction card

* * *

24. A computer readable medium having stored therein a plurality of sequences of executable instructions, which, when executed by a personal data device for storing and transferring user specific data, cause the device to:

.... c) load the selected data from a personal data device to a transaction card for holding

* * *

31. A method for performing a transaction, the method comprising:

.... b) loading the selected data from the portable telephone to a magnetic data area of a transaction card (Emphasis added)

The pending claims have been rejected, as either anticipated under 35 U.S.C. 102 or obvious under 35 U.S.C. 103, based upon U.S. patent no. 5,559,585 to Drexler et al. ("the Drexler patent"), taken alone or in combination with other references. These claim rejections are overcome as follows.

As a threshold matter, the Examiner is reminded that claims 1, 3-10, and 24-30 stand rejected as anticipated, and not merely obvious, in light of the Drexler patent:

[t]he distinction between rejections based on 35 U.S.C. 102 and those based on 35 U.S.C. 103 should be kept in mind. Under the former, the claim is anticipated by the reference. No question of obviousness is present. In other words, for anticipation under 35 U.S.C. 102, the reference must teach every aspect of the claimed invention either explicitly or impliedly. Any feature not directly taught must be inherently present. (Emphasis added; MPEP 706.02)

Here, however, the Drexler patent contains no teaching, either explicit or implicit, to transfer data between a personal data device and a separate transaction card.

Like the instant application, the Drexler patent relates to a system for conducting transactions utilizing a variety of different data types. Unlike the instant application, however, the Drexler patent describes a system having only a single element personal to a user: a card having a first, large capacity read-only memory and a second, smaller capacity writable memory:

the card has a high capacity data storage area, such as is available with optical storage media or perhaps semiconductor integrated circuit memories, in order to store the potentially huge number of benefits, licenses, requirements, identification, ownership and medical information which would be desirable to keep with the individual in card form. Such optical storage technology is currently available but expensive. To make the information stored on the card more accessible and convenient, a second, lower capacity data storage area is provided on each card, the second area utilizing widely available and inexpensive magnetic storage technology. (Emphasis added; col. 2, line 59 - col. 3, line 3)

The Drexler patent further teaches that information may be transferred from the first, high-capacity medium to the second, lower-capacity memory utilizing a data conversion terminal (DCT). The Drexler patent explicitly teaches that the DCT is not personal to a cardholder, but is instead located in a public place such as a shopping mall, a supermarket, or an office building. (Col. 5, lines 12-39).

The Drexler patent fails to teach, either explicitly or implicitly, a system where data is transferred to a transaction card from a personal data device. Because the Drexler patent fails to teach every element of the pending claims, it is respectfully asserted that claims 1, 3-10, and 24-30 are not anticipated by this reference.

The Examiner has rejected claims 2, 11-18, and 31-38 as obvious based on the Drexler patent in combination with U.S. patent no. 6,315,195 to Ramachandran ("the Ramachandran patent"). These claim rejections are overcome as follows.

In order to establish a prima facie case of obviousness, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. (Emphasis added; MPEP 2143)

Such teaching or suggestion to make the claimed combination must be found in the prior art, not based upon applicant's disclosure. See In re Vaeck, 947 F.2d 488 (Fed. Cir. 1991).

The Ramachandran reference does appear to describe use of a programmable transaction card in conjunction with a personal data device. However, the Drexler patent provides absolutely no suggestion or motivation for its combination with the Ramachandran patent.

Specifically, the Drexler patent provides an electronic data storage system at low-cost to many users. This is accomplished by providing users with a single transaction card having separate high- and low-capacity memories, while providing for general use a limited number of DCT devices capable of providing/receiving electronic information from the cards. The Drexler patent thus efficiently distributes the expense of the card reading/writing equipment, across all users of the system.

The Drexler patent cannot therefore be considered to provide any suggestion or motivation to use such transaction cards in conjunction with a personal data device, as is the subject of the pending claims. Such a combination, by requiring individual users to own and maintain expensive and complex devices for accessing the information stored electronically on

the card, would impose substantial costs on individual users, destroying the efficiencies and express goals articulated by the Drexler patent.

Because the references relied upon by the Examiner fail to provide any motivation for their combination, it is respectfully asserted that continued rejection of the claims as obvious is improper, and these rejections should be withdrawn.

In view of the foregoing amendments and remarks, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested. If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 650-326-2400.

Respectfully submitted,



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